

AU/ACSC/FAN/AY10

AIR COMMAND AND STAFF COLLEGE

AIR UNIVERSITY

**“MERCENARIZING” THE US GOVERNMENT:
Boon for Private Military Companies but Bane for National Security?**

By

Kelvin S. Fan, Major, Republic of Singapore Air Force

A Research Report Submitted to the Faculty

In Partial Fulfillment of the Graduation Requirements

Instructor: Dr. John T. Ackerman

Maxwell Air Force Base, Alabama

April 2010

Distribution A: Approved for public release; distribution unlimited.

Disclaimer

The views expressed in this academic research paper are those of the author(s) and do not reflect the official policy or position of the US government or the Department of Defense. In accordance with Air Force Instruction 51-303, it is not copyrighted, but is the property of the United States government.

Table of Contents

	<i>Page</i>
(I) INTRODUCTION.....	1
(II) BACKGROUND	3
Defining Private Military Companies (PMCs)	3
PMCs - The Corporate Evolution of Mercenaries	4
The Growing Scale and Scope of PMCs.....	5
Understanding the Rise of the PMC Industry	7
Concerns Surrounding PMCs	10
(III) THE EVALUATION METHODOLOGY	12
The Evaluation Approach	12
Evaluation Criteria 1: Ability to Achieve Defense Strategy Objectives.....	13
Evaluation Criteria 2: Ability to Promote Freedom, Justice and Human Dignity	14
Evaluation Criteria 3: Ability to Promote and Lead Democracy.....	15
(IV) EVALUATING THE PMC INDUSTRY	15
Tactical & Short-term Successes but Strategic & Long-term Concerns.....	15
Isolated PMCs Missteps Undermine Freedom, Justice and Human Dignity.....	22
Accountability & Transparency issues Undermine the US's International Credibility.....	23
(V) POLICY RECOMMENDATIONS	25
Enhance Accountability and Transparency through Greater Regulation	26
Foster PMCs as a Supplement and not a Competitor to the USG	27
Implement a Comprehensive Information Campaign.....	28
(VI) CONCLUSION	28
<i>Bibliography</i>	<i>34</i>

(I) INTRODUCTION

The use of mercenaries to fight wars is an age-old tradition. Military outsourcing of research and development (R&D), hardware production and support services to private companies like Boeing and Halliburton is also not a new concept. What is a fundamentally new trend, however, is the evolution of the mercenary into the modern-day Private Military Company (PMC) which now provides not only peacetime-focused hardware and support services, but also wartime-focused combat training and lethal combat services. Currently, the biggest employer of PMCs is the US government (USG) and the resultant phenomenon where PMCs are increasingly relied on in scale (i.e value/number of resources), scope (i.e. range/type of services) and for their lethal combat services is what this paper terms the “mercenarizing” of the USG.

There has always been a certain fascination with mercenaries and their modern-day evolution into PMCs. Over the years, this fascination has spawned several Hollywood movies, a deluge of literature by both academic scholars and fictional writers, as well as numerous online discussion forums. More recently, the phenomenal growth of the PMC industry into a \$100 billion annual behemoth, the increasing use of PMCs in the ongoing global war on terrorism, and the Congressional Hearings into the controversial PMC called Blackwater, have pushed PMCs into the forefront of political debate.¹ In turn, the fascination with PMCs has now evolved into a more probing questioning of the true effectiveness and impacts of PMCs.

A significant amount of literature on the effectiveness of PMCs already exists and they are primarily focused on the cost-efficiency, legal, ethical, regulatory and governance aspects of PMCs.² The traditional story has been that the post-Cold War peace dividend, the privatization revolution and the changing nature of war has led to smaller standing militaries and a greater reliance on outsourcing military capabilities to PMCs.³ Military privatization or outsourcing has

therefore been argued primarily as a cost-efficient strategy allowing the US military to focus on being the spearhead while PMCs focused on the supporting back-end shaft of the spear.

However, this traditional argument does not fully take into account the dual trends of increased reliance on PMCs and the privatizing of lethal combat services to PMCs. This paper therefore adopts a non-traditional approach and attempts a qualitative evaluation of the impact of PMCs on the US's national security in terms of achieving defense strategy objectives, promoting freedom, justice and human dignity, as well as promoting and leading democracy. At the core of this paper is the underlying thesis that, if left unregulated, the trend of relying on PMCs by the USG will enrich the private sector but will negatively impact the US's national security, by degrading the US's long-term and strategic warfighting capability, discrediting the US's stand on justice and human rights, as well as undermining the US's international credibility for democracy promotion.

This thesis will be supported by three key arguments. First, that while military privatization is not a new phenomenon, recent trends point towards a fundamental shift akin to "mercenarizing" where PMCs are increasingly relied on in scale, scope and for their lethal combat capabilities. Second, while privatization of military functions to PMCs can enhance the capabilities of the USG across the range of military operations (ROMO), there are second-order repercussions that could blunt the US's long-term and strategic military effectiveness. Third, without an appropriate regulatory framework for greater transparency and clearer accountability for PMCs, as well as a comprehensive information campaign, the continued "mercenarizing" of the USG risks enriching the private sector at the expense of the US's national security interests.

In Section II, this paper will provide the background on the definition, evolution, scale and scope of PMCs, as well as the issues that have been raised with regard to their use. Section III

develops an evaluation methodology based on available US national security documents which will then be used in Section IV to assess the impact of the PMC industry. For greater granularity, this paper will also use case studies from the past 2 decades, including Blackwater's Nisour Square incident and Paravant's irresponsible actions, throughout the evaluation. Sections V and VI will then make policy recommendations and draw conclusions. By contributing to the growing body of research on PMCs, this paper aims to provide insights for policy-makers to make a more informed decision in the regulation of PMCs.

(II) BACKGROUND

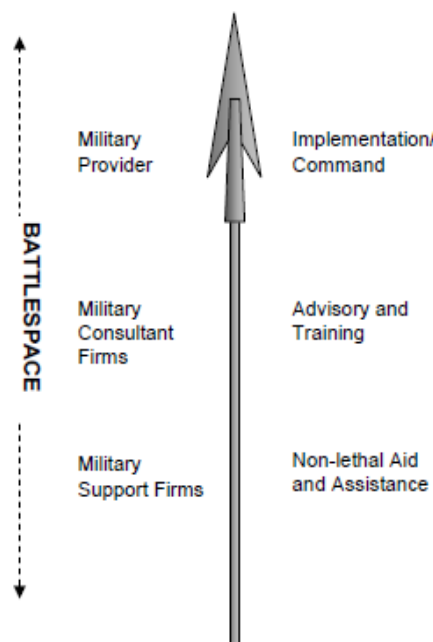
Defining Private Military Companies (PMCs)

Dr. Christopher Kinsey, a noted security specialist, poignantly comments that it is difficult to categorize the private military industry because the companies often provide a diverse range of services and cater to a range of customers.⁴ Indeed, this has resulted in PMCs being called several other terms including defense contractors, private military firms, private security companies, private military contractors, security contractors, military consultants and so on. However, regardless of terminology, these entities are essentially private profit-driven companies that provide military and security services to clients, often regardless of nationality. As such, this paper uses the term PMC to encompass any private company that provides military-related hardware and/or services that could range from support functions like logistics to frontline operations like lethal combat services.

Peter Singer, a Brookings Institution Senior Fellow, helps provide greater understanding of and granularity to the functions of PMCs through his "tip of the spear" representation (reproduced in Diagram 1).⁵ According to him, PMCs can be seen as military providers, military consultant firms and military support firms, depending largely on the level of lethality provided

and the proximity to the combat frontlines.⁶ Comprising about 5% of all PMCs, military providers such as Blackwater (recently rebranded as Xe Services), Executive Outcomes and Sandline International typically engage in frontline tactical operations and actual fighting.⁷ Military consulting firms like MPRI, Vinnell and Armorgroup typically do not operate in the frontlines but “provide advisory and training services integral to the operations,” while military support firms like Kellogg, Brown and Root (KBR) provide non-lethal services that include technical support, logistics and transportation.⁸

Diagram 1: Singer’s “Tip of the Spear”



Source: Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 93.

PMCs - The Corporate Evolution of Mercenaries

The evolution of the legitimacy of mercenaries has behaved like a pendulum, swinging from general acceptance before the 19th century to one of abhorrence during the mid 20th century, before swinging back to one of political acceptance of PMCs from the late 20th century onwards. This evolution of mercenaries into the modern-day PMC can be illustrated in three broad stages.

The first stage, spanning from ancient times till about the 19th Century, was characterized by the accepted norm of paying private foreign soldiers to fight a nation's war. These private soldiers were generically called mercenaries and usually held no loyalty to any one nation, but rather sold their services to the bidder that paid the most. The second stage, from the 19th century till the mid 20th century, saw the confluence of "bureaucratization, politicization and industrialization" which came together to transform war in such a way that only a nation state could mobilize the entire population and take complete advantage of the destructive power of modern weapons, thus leaving little opportunity for mercenary forces to participate.⁹ Nationalism characterized this stage and culminated in the development of the Geneva Conventions classifying mercenaries as unlawful combatants.¹⁰

From the late 20th century onwards, the pendulum has swung back to the point where hiring private soldiers are once again politically and socially acceptable. This third stage is characterized by the corporatization of the mercenary trade. Indeed, the emergence of PMCs has been seen by many, including Singer, as the corporate evolution of mercenaries. This stage is also defined by the increased scale and scope of PMCs' involvement in both conventional and irregular conflicts across the globe, notably Sierra Leone, Angola, the Balkans, Iraq and Afghanistan.

The Growing Scale and Scope of PMCs

The growth in scale and scope of PMCs in the past two decades has been nothing short of phenomenal. No longer perceived in the same unsavory mold as mercenaries, PMCs are now legally constituted private companies that are generally accepted as important components of a nation's fighting force. From constituting only about 1-2% of US forces in Operation Desert Storm, PMCs contributed 10% of the fighting force in Yugoslavia in 1999 and are now estimated

to comprise more than 50% of all US forces in Operation Iraqi Freedom.¹¹ From being involved in only 15 conflicts from 1950 to 1989, PMCs now operate globally in almost every form of conflict, and have increased their involvement to about 80 conflicts from 1990 to 2000.¹² From being the individual mercenary soldier motivated by cash of the past, PMCs are now business-minded entities being awarded multi-million dollar contracts to the tune of Blackwater's \$320 million deal from the State Department in 2004.¹³

Perhaps the most remarkable is the increasing trend for PMCs to move beyond providing peacetime-focused functions of logistics, consultancy services and hardware production to providing wartime-focused functions of combat training assistance and lethal combat services, which are responsibilities that have traditionally been monopolized by the nation's military service. The classic example is Executive Outcomes which, in the 1990s, garnered much publicity for its use of lethal combat capabilities to quell the civil unrest in Sierra Leone.¹⁴ In Iraq, over 13,000 PMC personnel, or 11% of the total PMC strength, are also involved in "direct tactical assistance," which has since manifested in numerous shooting incidents involving PMC personnel.¹⁵ PMCs are, therefore, now fundamentally different from the mercenaries in the past both in terms of legitimacy, scale and scope. What remains consistent, however, is the underlying motivation of selling military services for profit.

The USG, as a whole, has embraced the growth of PMCs more than any other country's government, as evidenced by academics Dr. Nicholas Dew and Lt. Col. Bryan Hudgen's findings that the PMC industry is a "50% US" phenomenon.¹⁶ Security scholar David Isenberg further highlights that while PMCs are primarily used by the Defense and State departments, the entire USG, including the intelligence agencies and the Homeland Security and Energy departments, rely heavily on PMCs.¹⁷ From 1994-2002, the Department of Defense (DOD), by itself, awarded

\$300 billion in contracts to US-based PMCs.¹⁸ And the scale of this privatization has since increased, with SIPRI scholars Dr. Sam Perlo-Freeman and Elisabeth Skons highlighting that the DOD awarded contracts for about \$113.4 billion in 2006 to “companies whose services to the DOD appear to be wholly or mostly military.”¹⁹ It is no surprise then that the key beneficiary is the PMC industry, with Kinsey noting that several leading PMCs saw their stock prices outperform the benchmark indices after the September 11 attacks.²⁰ As such, what seems to be happening is the “mercenarizing” of the USG, where the USG is increasingly relying on PMCs in scale, scope and increasingly for their direct and lethal combat services. This trend has definitely enriched the private sector and the question now is whether it has also benefited the US.

Understanding the Rise of the PMC Industry

Attributing the phenomenal rise of the PMC industry to any single factor is futile. Instead, the confluence of several factors led to its growth. First, the post-Cold War peace dividend, coupled with increasing economic opportunities, has led to a winding down of large standing militaries and the consequent mismatch of resources to the US’s grand strategy.²¹ Second, the rise of market-based approaches and their promises of cost efficiencies have led to a privatization revolution that favored the outsourcing of governmental functions. Third, the changing nature of war as illustrated by the revolution in military affairs (RMA) and the surge of insurgencies, has led to an expansion of the military’s roles and thus greater demand for specialized support from PMCs.

The end of the Cold War led to several trends, with the most obvious being the huge drawdown of standing militaries across the world. As British journalist Tony Geraghty notes, the major powers downsized their military strength from 6,873,000 in 1990 to 3,283,000 in 1997, thus flooding the private sector with a huge supply of ex-military personnel.²² However, the

significant downsizing in the US military size was not accompanied by a concomitant reduction in demands on the US military. Instead, the US continued with its “Cold War missions in Europe and Asia” and, ironically, seemed to intensify its operations tempo by being involved in Iraq, Kosovo and the Balkans in the 1990s.²³ This huge mismatch between the demands of US grand strategy and the lack of supporting public resources therefore fostered an environment for PMCs to “fill the gap between geopolitical goals and public means.”²⁴

The end of the Cold War also coincided with the privatization movement which “provided the logic, legitimacy and models for the entrance of markets” into the traditional state domain of military services.²⁵ The privatization of military logistics is not a new phenomenon (e.g. George Washington’s continental army relied on support from various private firms and individuals), but the privatization in the late 20th century was marked by the emergence of large modern corporations that are increasingly undertaking a wider range of military functions.²⁶ In the 1980/90s, the UK privatized the national armaments industry and outsourced military pilot training.²⁷ In 1991, the former US Defense Secretary Dick Cheney commissioned Brown and Root (later renamed KBR) to produce a report examining the benefits of increased privatization of military support services such as housing, food and laundry.²⁸ The findings of that report set the foundation for privatizing regular military functions to PMCs and dovetailed into a 1995 Defense Science Board report suggesting that the Pentagon could save US\$12 billion annually if it privatized all support functions except actual combat.²⁹

As the privatization of military services gained traction, the Pentagon’s contracted workforce soon exceeded its own civilian employees for the first time in 2001.³⁰ Further testimony to the heavy reliance on privatization can be seen when Cheney, then-Chairman of the PMC called Halliburton, mentioned that “the first person to greet our soldiers as they arrive in the

Balkans, and the last one to wave goodbye is one of our [Halliburton] employees.”³¹ The privatization revolution has therefore created “a greater acceptance of outsourcing of government activities to the private sector,” thus legitimizing the PMC industry.³²

The changing nature of warfare in the past few decades has also played an increasingly important role in sustaining the rise of PMCs. First, former Defense Secretary Donald Rumsfeld, a strong RMA advocate, had instituted a strategy during his tenure to transform the US military into a lean outfit that relied heavily on technology and information superiority for its asymmetric advantages. However, as Kinsey mentions, “maintaining this sophisticated technology requires a level of expertise beyond that which is taught in the military.”³³ Essentially then, the move towards high technology and information dominance has indirectly created a demand for complex technical expertise and logistical support that have been best filled by PMCs.³⁴

Second, the changing nature of warfare as evidenced by the insurgencies in Iraq and Afghanistan has also shown that irregular warfare is likely to be the focus in the future. The nature of irregular warfare is such that specialized skills in the form of country experts, linguists, bodyguards and desert guides are required to support the US personnel. Counterinsurgency operations also require huge security forces to protect against guerrilla and terrorist attacks, as well as trainers to enhance the capabilities of the host nation. More nimble than bureaucratic militaries, PMCs have been faster to adapt to provide such specialized services applicable in such counterinsurgencies, as evidenced by the 180,000 PMC personnel in Iraq in 2007, compared to just 160,000 US troops.³⁵ As such, it can be argued that the changing focus towards irregular warfare has indirectly increased the demands for specialized skills from PMCs.

Looking ahead, the trends of the US’s strategy-resource mismatch, privatization and the changing nature of warfare show no significant signs of abating. First, while the US continues to

be involved heavily in Iraq and Afghanistan, Iran and North Korea are already emerging to be the next hotspots. The demands on the US and its military are therefore unlikely to ease. Second, while the idea of privatization might have lost some luster given the partial nationalization of banks in 2008/9, the fundamental idea of a lean government and a strong private economy still holds firm amongst the general public. Third, while Al-Qaeda has been largely disrupted, transnational terrorism and insurgencies are likely to be threats for a long time given the protean nature of terrorists and the numerous weak and failing states. Fourth, PMCs are “the new reality, not only in foreign policy in the 21st century, but also of war fighting.”³⁶ Indeed, the public has also become so accustomed to minimal troop loss that some security commentators argue that PMCs will increasingly be used in the future to mitigate the public’s concern about national military troop losses.³⁷ However, while the trends point towards the continued reliance on and growth of PMCs, President Obama has recently decided to make the PMC industry more transparent and accountable, as evidenced by the Congressional hearings on Blackwater and the PMC industry as a whole. How his actions might impact the PMC industry in the future will remain to be seen.

Concerns Surrounding PMCs

The phenomenal growth of PMCs and the growing reliance on PMCs to provide military services to governments have spawned several studies on the subject. Issues often discussed include the cost effectiveness, the legal ambiguity and the ethical debates surrounding PMCs. As mentioned earlier, military privatization advocates “contend that the private sector is more cost-effective than the public sector.”³⁸ While several reports, such as the 1995 Defense Science Board report, claim that privatization will yield tremendous savings, a survey of the literature reveals a preponderance of commentators like Isenberg, Perlo-Freeman and Skons who are

unwilling to accept wholeheartedly the claim that “outsourcing brings greater efficiency and lower cost.”³⁹ Specifically, Perlo-Freeman and Skons use economics theory to argue that privatization benefits accrue when there is “meaningful competition, a clear perception of requirements by the contracting authority, and effective monitoring and oversight by the client.”⁴⁰ Measured against this theory, they contend that outsourcing to PMCs might not yield the expected gains because the PMC industry is dominated by a few major players and that there is a general lack of contract oversight staff.⁴¹ In a similar vein, Kinsey highlights that the privatization argument only works when there is transparent, competitive bidding of contracts; however, studies show that only 40% of outsourcing contracts are subject to open, competitive bidding.⁴² The cost-effectiveness benefits of PMCs are therefore contentious at best.

Another controversial issue is the legal ambiguity of PMCs. As Kinsey notes, “the very narrow definition of mercenary found in the *1977 Additional Protocols I and II to Article 47 of the Geneva Convention (1949)* and the *International Convention against the Recruitment, Use, Financing and Training of Mercenaries (1989)* have made it easy for mercenaries, let alone PMCs, to avoid meeting the full criteria of the definition and thus prosecution.”⁴³ PMC personnel are therefore not treated as unlawful combatants, but are they then afforded the same legal protection and subjected to prosecution as regular soldiers in a nation’s military? Illustrating this ambiguity, Perlo-Freeman and Skons highlighted that “the US Congressional Research Service found in 2007 that some contractors operating for the US departments of Defense or State in Iraq – which had been granted immunity from prosecution in Iraqi courts – might not come under the jurisdiction of US civil or military courts.”⁴⁴ The growth of PMCs has clearly outpaced the accompanying legal interpretation and this legal ambiguity has plagued the treatment of several PMC infractions, as will be shown in Section IV.

A third set of concerns questions the ethical aspects of using PMCs. The traditional notion has been that only nation states “have the exclusive legitimacy to exercise violence.”⁴⁵ Therefore, security commentator Herbert Wulf argues that rampant outsourcing to PMCs threatens the state’s monopoly on sanctioned violence, and could lead to ethical and accountability issues.⁴⁶ It can also be argued that using PMCs to meet the US’s grand strategy is essentially circumventing the public’s desires as manifested in the publicly-approved size and resources of the military. The fundamental question here is: how ethical is it for governments to privatize the use of violence to profit-driven PMCs who are not as accountable to the public?

(III) THE EVALUATION METHODOLOGY

The Evaluation Approach

The earlier literature review has shown that several academics have raised contentious issues regarding the use of PMCs: Are they cost effective? Are they accountable? What are their legal statuses? What are the ethical impacts of using PMCs? Despite the many years of using PMCs, the House Committee on Oversight and Government Reform highlighted in a February 2007 Congressional Hearing that “there has been no comprehensive assessment of the quality of the work done by private security contractors.”⁴⁷ In this regard, this research paper lays no claim to be comprehensive, but seeks to develop a macro evaluation framework that assesses the PMC industry’s impacts on the US’s national security. National security, after all, is what Clausewitz would argue that all military action should contribute towards. To this end, this section develops a set of “national security” criteria based on the objectives stated in the US’s *2006 National Security Strategy* (NSS) and the Department of Defense’s *2010 Quadrennial Defense Review* (QDR), and evaluates the PMC industry against it.

The US's NSS emphasizes the twin pillars of promoting "freedom, justice, and human dignity" and promoting and leading a "community of democracies."⁴⁸ To support this, the 2010 QDR highlights the four priority defense strategy objectives as to "prevail in today's wars, prevent and deter conflict, prepare to defeat adversaries and succeed in a wide range of contingencies, and preserve and enhance the All-Volunteer Force."⁴⁹ These two documents therefore provide an excellent reference point for developing a set of criteria which the performance of the military and, by extension, the PMC industry can be evaluated against. Synthesizing these two strategic documents, this paper proposes three broad criteria to evaluate the performance of PMCs, namely the ability to achieve defense strategy objectives, the ability to promote freedom, justice and human dignity, and the ability to promote and lead democracy.

Evaluation Criteria 1: Ability to Achieve Defense Strategy Objectives

The ability to achieve or contribute towards the QDR's objectives is a critical measure of performance as they contribute directly to military victory and help "defend and advance [the US's] national interests."⁵⁰ The PMC industry will therefore be evaluated against the four stated defense strategy objectives.

First, the PMC industry will be evaluated against their ability to prevail in the wars in Iraq and Afghanistan, especially in counterinsurgency, stability and counterterrorism operations. Well-documented case studies such as Paravant's 2009 civilian shootings and Blackwater's 2004 Fallujah incident will be used to provide granularity for this evaluation. The key question here is: Have PMCs contributed towards mission success in Iraq and Afghanistan at both the tactical and strategic levels?

Second, the PMC industry will be measured against their ability to prevent and deter conflict. As part of a multi-pronged approach, the 2010 QDR highlights that the US's deterrence

“remains grounded in land, air, and naval forces capable of fighting limited and large-scale conflicts,” and that there is a need to enhance partners’ security capacity through Foreign Internal Defense (FID).⁵¹ To this end, the key question here is: Have PMCs enhanced the deterrence capabilities of the US and her allies?

Third, the PMC industry will be evaluated against their ability to “defeat adversaries and succeed in a wide range of contingencies.”⁵² The 2010 QDR highlights that when deterrence fails, the DOD might need to deal with challenges ranging from conventional wars to counterterrorism to counterinsurgency to stability, reconstruction and disaster relief operations. This paper will study the PMC industry’s contributions in the current conflicts as well as their past performance in Sierra Leone and Angola to answer the following question: How effective are PMCs across the ROMO?

Fourth, the PMC industry will be evaluated against their ability to “preserve and enhance the all-volunteer force.”⁵³ The 2010 QDR seeks to preserve “the long-term viability of the all-volunteer force” and will “require policies that sustain the rotation base” and “provide care for our people.”⁵⁴ This paper therefore evaluates the role that PMCs play in bridging the resource-demand gap that has emerged in the post-Cold War era and answers the following question: How do PMCs preserve and enhance the all-volunteer force in both the short-term and long-term?

Evaluation Criteria 2: Ability to Promote Freedom, Justice and Human Dignity

A key objective of the US’s NSS is to end tyranny by promoting freedom, justice and human dignity. As Richard Fontaine and Dr. John Nagl, both scholars from the Center for a New American Society, highlight, the Iraqis and Afghans do not perceive any difference between actions conducted by US military personnel or by PMC personnel.⁵⁵ For all intents and purposes, these actions are perceived to have originated from the USG. The insight here is that PMC

personnel can behave like “strategic corporals” where their actions can impact the US’s national security directly and indirectly. Indeed, civilian casualties caused by PMCs could “anger the very people the coalition is to protect, fuel the insurgent’s propaganda machine” and portray the coalition as ignoring human dignity and freedom.⁵⁶ Blackwater’s Nisour Square incident will illustrate the impact of civilian casualties and the legal ambiguity of PMCs, as well as help answer the following question: Do PMCs behave as “benevolently” as the USG with regard to freedom, justice and human dignity?

Evaluation Criteria 3: Ability to Promote and Lead Democracy

The second pillar of the NSS is to promote and lead a growing community of democracies. To do so, the US will need to maintain and enhance its international credibility and reputation as a desirable democracy. As Isenberg highlights, “constitutionalism, transparency and public consent are features common to democracy.”⁵⁷ The US’s international credibility and reputation can therefore be affected by the perceived accountability of PMCs’ actions, the perceived accountability of the USG as well as the transparency and regulatory framework of the PMC industry. In this regard, DynCorp’s involvement in Plan Colombia will be used to answer the question: Does the PMC industry enhance the US’s international credibility and reputation for democracy promotion?

(IV) EVALUATING THE PMC INDUSTRY

Tactical & Short-term Successes but Strategic & Long-term Concerns

A key question when evaluating the PMC industry’s ability to achieve defense strategy objectives is whether PMCs have helped the US prevail in the current conflicts. According to Kinsey, Fontaine and Nagl, the ratio of US military troops to PMC personnel has fallen steadily from about 50:1 during the first Gulf war to 10:1 during the Balkans conflict to about 1:1 in the

current conflicts.^{58,59} Testimony to the growing reliance on PMCs, the 2009 USCENTCOM report highlights that there were 199,706 and 73,968 PMC personnel in Iraq and Afghanistan respectively, performing a wide range of functions.⁶⁰ Therefore, at the macro level, PMCs appear to be heavily relied upon as a critical component of the total fighting force.

Diagram 2: PMC Personnel in USCENTCOM

	Total Contractors	U.S. Citizens	Third Country Nationals	Local/Host Country Nationals
Iraq only	119,706	31,541	56,125	32,040
Afghanistan only	73,968	10,036	11,806	51,126
Other USCENTCOM locations	50,061	9,381	35,053	5,627
USCENTCOM area of operation	243,735	50,958	102,984	89,793

Source: DOD, *USCENTCOM 3rd Quarter Contractor Census Report, June 2009*.

At the micro level, PMCs have also registered a track record of mission successes and accomplishments. Blackwater, despite being one of the most controversial PMCs, has conducted over 16,000 Private Security Detail (PSD) operations without losing a protected principal in either theater, successfully worked with US Marines to defend the Coalition Provisional Authority infrastructure in Najaf against a Shia uprising, as well as saved several Marines using their private medevac helicopters.⁶¹ PMCs such as DynCorp and Vinnell have also demonstrated their value in the important mission of FID, having trained up the 62,000-strong Afghan Police (at a cost of \$1.1 billion) and the Iraqi Army respectively.^{62,63} The largest PMC in theatre, KBR, has also

successfully established and supplied the in-theatre bases which US and allied troops depend greatly on.

The contributions of PMCs to the current conflicts at the tactical level are therefore without doubt. However, an increasing number of PMC missteps threaten to hinder the ability to prevail at the strategic level. Senate Armed Services Committee Chairman Carl Levin and General Stanley McChrystal have correctly highlighted that the key to prevailing in both wars is to win the support, hearts and minds of the people, and one way of doing so is to involve the locals in the rebuilding of their nation. However, as Stanger notes, “[d]emocratization required Iraqization, yet contractors steered clear of hiring Iraqi nationals,” and this strategic mistake is likely to inhibit a self-sustaining prosperous nation.⁶⁴

In addition, irresponsible PMC conduct can also adversely affect the US’s foreign policy. “In the fight against the Taliban, the perception of Afghans is crucial,” and any civilian casualty caused by irresponsible PMC personnel is likely to erode public support and hinder victory.⁶⁵ The following case study of Paravant clearly illustrates how irresponsible actions by PMC personnel could harm the US’s national security interests and foreign policy by exacerbating the insurgency and fostering anti-American sentiment.

Case Study 1: Paravant in Afghanistan

“On May 5, 2009, Justin Cannon and Christopher Drotleff, 2 men working for Paravant in Afghanistan, fired their weapons, killing 2 Afghan civilians and injuring a third. Then CSTC-A Commanding General Richard Formic said that it appeared that the contractor personnel involved had ‘violated alcohol consumption policies, were not authorized to possess weapons, violated use of force rules, and violated movement control policies.’ According to the Department of Justice prosecutors, the May 5, 2009 shooting ‘caused diplomatic difficulties for United States Department representatives in Afghanistan’ and impacted ‘the national security interests of the United States.’ According to one media report, the shooting ‘turned an entire neighborhood against the U.S. presence’ and quoted a local elder as saying, ‘if they keep killing civilians, I’m sure some Afghans will decide to become insurgents.’”⁶⁶

While irresponsible PMC actions can undermine the US's strategic objectives and foreign policy, PMCs can also alter the strategic course of the war, endanger US troops and undermine coalition cohesion, as illustrated by the 2004 Fallujah incident. As the House Committee on Oversight and Government Reform highlighted, "the Fallujah incident was highly publicized and had a significant impact on the course of the war in Iraq."⁶⁷ Many academics see the insurgent's attack on the Blackwater personnel as a trap where the US took the bait, retaliated strongly with a widespread military assault and resulted in the "bloodiest month for US troops and civilians."⁶⁸ The USG's strong response in Fallujah incurred "much casualties and political cost," created more anti-American sentiment and caused the British government to have "deep misgivings" over the US's strategy.⁶⁹

Case Study 2: Blackwater in Fallujah

"On March 31, 2004, four Americans working as private security personnel for Blackwater, all of whom were military veterans, were ambushed and killed in Fallujah while on a protection mission. Their tragic deaths became a turning point in public opinion about the war and directly resulted in a major U.S. military offensive, which is known as the First Battle of Fallujah. 27 American soldiers and over 800 insurgents and Iraqi citizens died in that battle, and military observers believe it helped fuel an escalation of the insurgency."⁷⁰

PMC missteps undoubtedly get more media attention than do their successes. However, the Paravant and Blackwater case studies clearly demonstrate that any misstep can undermine the achievement of the US's strategic objectives. Therefore, in prevailing in the current conflicts, PMCs have been tactically successful but strategically inhibitive.

The second question that must be answered is whether PMCs help in deterring conflicts. Deterrence is almost impossible to prove but "deterrence is a product of effective capability" and evidence does show that PMCs have substantially increased the capabilities of both the US and

her allies.⁷¹ First, the PMC industry has always been heavily involved and relied upon to enhance the logistics, R&D and hardware production of the US's air, land, sea, nuclear, space and cyber capabilities. Second, the PMC industry is increasingly serving like a reserve force that can be flexibly called upon to boost the numbers and capabilities of the standing US military. Indeed, the USCENTCOM report highlights that PMCs have boosted the USG's strength by over 243,000 in just the CENTCOM area.⁷² Third, the PMC industry has greatly improved the security capacity and deterrence capabilities of the US's allies through numerous FID operations. For example, it was MPRI's training and modernization of the US-backed Croatian military in the 1990s that enabled the Croats to force the Serbs to the negotiating table.⁷³ Therefore, the PMC industry does seem to contribute positively to effective capability and deterrence.

The third question to be answered is whether PMCs assist the USG in defeating adversaries across the ROMO. The scope and scale of PMCs is "unprecedented in US history" and goes to highlight that the PMC industry is a critical component of the USG's total force.⁷⁴ Indeed, PMCs are involved in the full spectrum of operations and have assisted the USG in operations ranging from major combat, counterinsurgencies, counter-terrorism, support, disaster relief, and counter-drug.⁷⁵ Fontaine and Nagl have also gone as far as to assert that the "US cannot engage in hostilities or in reconstruction and stabilization operations without [PMCs]."⁷⁶

With regard to reconstruction and stabilization operations, PMCs have demonstrated immense value by being involved in everything including the training of security forces, rebuilding roads, managing internally displaced personnel and rescuing people from disaster regions. For example, Blackwater, while better known for its combat capabilities, performed admirably in disaster relief operations in the aftermath of Hurricane Katrina. In addition, while humanitarian and disaster relief demands have increased, the personnel strength of USAID has

paradoxically fallen from 17,500 at its peak to slightly above 1,000 now, with much of the slack now being undertaken by PMCs.⁷⁷

With regard to counterinsurgencies, PMCs have not only demonstrated implicit value in the Iraq and Afghanistan wars, but have also solved several previous counterinsurgency conflicts in timely fashion, such as the restoration of state power in Sierra Leone and Angola.⁷⁸

Case Study 3: Executive Outcomes in Angola & Sandline in Sierra Leone

Executive Outcomes (EO) was founded in 1989 by Eben Barlow, a former assistant commander of the 32nd Battalion of the South African Defense Force (SADF).⁷⁹ EO provided 5 services: strategic and tactical military advisory services; an array of sophisticated military training packages in land, sea and air warfare; peacekeeping or “persuasion” services; advice to armed forces on weapon selection and acquisition; and paramilitary services. Training packages covered the realm from basic infantry training, armored warfare specialties to parachute ops.⁸⁰ In Angola, EO’s combat capabilities were demonstrated in March 1993 when they launched a commando assault that successfully seized the Soyo oil installation from the UNITA rebels.⁸¹ However, when EO withdrew, the Angolan Army lost the oil installation back to the UNITA rebels. Singer therefore concluded that EO provided the Angolan army with crucial military expertise and played a “determinate role” in ending the war.⁸²

In 1995, EO was engaged to fight the RUF rebels and reestablish the governments control over the economically productive parts in Sierra Leone. Within eight months, EO achieved its military objectives, successfully forced the rebel RUF leader to negotiate for peace and restored peace to the region. Sierra Leone, however, did not retain EO to train up their paramilitary forces and when EO left, the RUF rebels launched another coup. This led to the hiring of Sandline International which performed the same missions as EO and successfully ended the coup.⁸³

No one can predict how and when the Iraq and Afghanistan counterinsurgencies will end, and therefore the determinate effectiveness of PMCs for those conflicts. However, from Blackwater in New Orleans to EO in Angola to Sandline in Sierra Leone, history does seem to show that PMCs can be a significant force multiplier for the USG across the ROMO.

A fourth question to be answered is whether PMCs preserve and enhance the all-volunteer force. In the short-term, PMC advocates highlight that PMCs enhance the all-volunteer force by boosting the total fighting strength of the USG and thereby allowing a more sustainable deployment and rotation cycle for national troops. Indeed, the absence of the 243,000 PMC personnel in the CENTCOM area is likely to not only impair the USG's operational capability but also undermine the USG's sustainable deployment cycle, and require more than the announced surge of 50,000 US troops into Afghanistan.

However, PMC critics highlight that PMCs could erode the warfighting capability of the USG in the long-term by undermining recruitment, retention and the national prestige of serving in the USG. First, Kinsey and CNN executive producer Suzanne Simons have highlighted an emerging trend of PMCs poaching personnel from the US military and intelligence communities.⁸⁴ This is hardly surprising given that PMC personnel could be paid about 4 times that of an equivalent soldier in the US military.⁸⁵ The poaching situation in the UK got so bad that the elite SAS had to allow their soldiers exit temporarily to earn money at PMCs before returning to the SAS.⁸⁶ Over in the US, the US Special Operations Command has identified "loss of qualified personnel to security companies as a problem in maintaining its strength."⁸⁷ Indeed, most of Blackwater's personnel, including Cofer Black who was the ex-director the CIA's Counterterrorist Center, were poached from both the military and the CIA.⁸⁸ Poaching from the intelligence community in the 1990s also caused the intelligence agencies to lose "core capability in some cases by as much as 40 percent."⁸⁹

As academic Deborah Kidwell highlights, the unequal economic advantages between national militaries and PMCs "can be extremely detrimental to soldier morale and decrease the prestige of national military service."⁹⁰ Therefore, while the PMC industry can enhance the all-

volunteer force by allowing a more sustainable deployment cycle in the short-term, the longer-term risks are the hollowing out of the USG and the undermining of the prestige of the all-volunteer force.

Isolated PMC Missteps Undermine Freedom, Justice and Human Dignity

Fontaine and Nagl emphasize that “most private contractors appear to make a positive contribution, and to be honest, patriotic, and dedicated to the mission at hand.”⁹¹ However, accentuated by the CNN effect and the insurgents’ propaganda machine, it takes just one PMC transgression to undermine all their positive contributions. Indeed, several media reports have often painted a poor performance of PMCs with regard to civilian casualties and human rights. As The Times highlighted, PMC personnel “are supposed to obey the same rules as the military in warning civilian motorists not to approach convoys...protecting convoys requires split-second decision-making. Scores of Iraqi civilians have been killed and injured by mistake.”⁹² Several other documented case studies involving civilian casualties also seem to point to improper PMC conduct. The 2007 Congressional Hearings on Blackwater concluded that Blackwater personnel are trigger happy, “shoot first and sometimes kill and then ask the questions,” and fired first in 84% of its incidents.⁹³ Investigations into the Paravant shootings of May 2009 have also revealed that the Paravant personnel had criminal records and “abysmal military records” which included “assault, insubordinate conduct, absence without leave, failure to obey order or regulation.”⁹⁴ Allison Stanger, a foreign policy expert, has also reported that PMC personnel performing the sensitive job of interrogation are being implicated in the human rights violations in Abu Ghraib.⁹⁵ In the eyes of the local people, the collective impact of such damaging publicity is that the US has lost much credibility in intervening to end tyranny.

Of greater concern is the local population's perception that despite these civilian casualties and infractions, justice does not get served. The treatment of Blackwater personnel involved in the 2007 Nisour Square incident best illustrates this controversy.

Case Study 4: Blackwater in Nisour Square

On September 16, 2007, Blackwater guards shot and killed 17 Iraqi civilians in Nisour Square, Baghdad. This occurred while Blackwater personnel were escorting a US State Department convoy en route to a meeting in Western Baghdad. Blackwater personnel claimed that they were ambushed and thus responded lawfully with gunfire. However, the Iraqi authorities concluded that the Blackwater personnel fired on the civilians without provocation. While the Iraqi authorities wanted to try the case in Iraq, the US House, on Oct 4, 2007, passed a bill making all PMC personnel in combat zones subject to the Military Extraterritorial Jurisdiction Act and thus prosecution by US courts. In December 2008, 5 Blackwater personnel were therefore indicted in the US on manslaughter and weapons charges accusing them of killing and injuring unarmed civilians. However, the charges were dropped in January 2010 due to a technicality and no announcements on follow-up prosecution have been made.

Not surprisingly, the Nisour Square incident created much anti-American sentiment and greatly discredited the US justice system. The apparent nonchalant attitude toward human rights and civilian casualties, as well as the seemingly above-the-law treatment received by PMCs have not only outraged the very people that the coalition is trying to win over, but have also undermined the credibility of the US justice system which is the same system the USG wants to promote in Iraq. Therefore, while the majority of PMC actions have contributed positively to the mission and are largely well-intentioned, it takes just one PMC misstep to undermine the promotion of freedom, justice and human dignity.

Accountability & Transparency issues Undermine the US's International Credibility

The accountability of PMCs and the USG is often called into question because PMCs are inherently profit-motivated and also because PMCs act as an additional layer between the government and the public. While the USG is accountable to the public and national interests via institutions like the Congress and the Constitution, PMCs are private entities that must account for

shareholder's interests. PMC personnel are also not in the chain of command and hence not subject to the same discipline that govern national troops.⁹⁶ As Singer highlights, while national soldiers are prevented from desertion, treason and revolt by a combination of patriotism and a fear of prosecution, PMC infractions only constitute a breakage of a commercial contract.⁹⁷ The alignment of privately-accountable PMCs to national interests is therefore not straightforward.

More concerning is that by privatizing military functions to publicly-unaccountable PMCs, the USG is essentially circumventing "time-tested congressional and public reviews that are integral to the democratic system" of accountability in government.⁹⁸ The use of DynCorp in Plan Colombia illustrates such questionable government actions.

Case Study 5: DynCorp in Plan Colombia

In the late 1990s, the US initiated a war on drugs in Colombia called Plan Colombia. Given the controversy of the operations, Congress placed restrictions on the type of operations the US forces could be involved in as well as restricted the US to help only Colombian units that were free of human rights violations. A manifestation of the restrictions was that US forces could only conduct counter-narcotics operations and could not be involved in counterinsurgency operations. While DynCorp was engaged officially to provide pilot training and technical support to the Colombian National Police, Singer highlights that DynCorp were reportedly engaged in aerial recce, combat advisory roles for the Colombian military as well as counterinsurgency operations against rebels.⁹⁹ He therefore asserted that DynCorp was "utilized as an alternative way to circumvent" policy restrictions, and have no oversight from Congress.¹⁰⁰

Apart from accountability issues, the PMC industry also does not measure well against the transparency criteria. Isenberg reports that only 40% of contracts to PMCs were open to competitive bidding and attributed this to warfare's characteristics of "secrecy, heavy time constraints and the imperative of victory."¹⁰¹ Perlo-Freeman and Skons supports this and highlights that the resultant anti-competitive nature of the PMC industry can lead to "corruption capture," where the USG overpays for PMC services.¹⁰² An example of this occurred when the US Army privatized certain military base services in Bosnia and were billed by a PMC for 116 personnel despite the Army's own calculations showing that 66 personnel would have sufficed.¹⁰³

It is not surprising then that several PMCs are currently under investigation for fraud, an example of which is the PMC called Custer Battles “for cheating the US government out of tens of millions of dollars.”¹⁰⁴

The shortage and quality of contract oversight personnel in the military appear to have fostered and exacerbated this lack of transparency. As Fontaine and Nagl notes, the number and prestige of contract supervisory jobs in the DOD have fallen over the years.¹⁰⁵ The downsizing of the USAID’s staff strength despite rising demands has also led to a shortage of regulatory and contract oversight personnel.¹⁰⁶ The irony is that a PMC called Aegis had to be awarded a \$293 million contract to oversee and coordinate the 60 other PMCs in Iraq.¹⁰⁷ As a result, for the first three years of the Iraq War, the USG had no accurate count of the number of PMC personnel involved.¹⁰⁸ Fortunately, deliberate steps such as the appointments of Special Inspector Generals in both Iraq and Afghanistan have since been taken to enhance the audit process and address the lack of transparency in the PMC industry.¹⁰⁹

The US’s key national strategic goal is to promote and lead the growing number of democracies. However, the apparent absence of the two key democracy tenets of accountability and transparency, coupled with the perceived lack of justice as discussed earlier, is likely to undermine the international credibility and reputation of the US to lead and promote democracy.

(V) POLICY RECOMMENDATIONS

The evaluation in Section IV reveals that PMCs have a strong record of mission success and can be a significant force multiplier for the USG. However, the analysis also shows that the trend of “mercenarizing” the USG, if left unchecked, could adversely undermine the US’s national security objectives, long-term warfighting capability and international credibility. This

section therefore recommends an appropriate regulatory framework to retain the benefits of PMCs while mitigating the potential downsides.

Enhance Accountability and Transparency through Greater Regulation

The exercise of sanctioned violence on the battlefield is inherently a governmental responsibility that impacts on national security and public interests. Privatizing military functions to PMCs should therefore be regulated in a similar manner to the regulation of essential services like electricity production and water supply. Regulation should be done with an aim to enhance accountability and transparency as well as help quell concerns that PMC infractions could undermine the US's national security objectives and international credibility.

First, the USG could address the accountability issues by clarifying the legal status of PMCs. The military did try to clarify the legal status of PMCs through the Military Extraterritorial Jurisdiction Act (MEJA) but Fontaine and Nagl argue that it is hardly used because the scope of its jurisdiction is ambiguous and the practical application difficult.¹¹⁰ Given that the actions of PMC personnel are indistinguishable from that of a uniformed soldier, this paper regards PMC personnel as agents of the US military and thus recommends a review of the applicability of the Uniform Code of Military Justice (UCMJ) to PMC personnel.

Second, the USG could instill greater transparency within the PMC industry by reviewing its contract oversight capabilities. Competitive bidding is a key companion to ensure that privatization yields cost-efficiencies and prevents complacency and corruption capture. The USG could therefore review their open, competitive bidding process and award no-bid contracts only under very extenuating circumstances. In addition, transparency requires a proper vetting process with regard to the quality of PMCs engaged by the USG. The numerous Congressional Hearings have revealed that some PMCs foster a trigger-happy culture and fall “well short of any

reasonable standard for vetting personnel.”¹¹¹ In this regard, the recommendation is to enhance the USG’s contract oversight, supervisory and audit capabilities by creating a “white and black” list of reputable and discredited PMCs.

Foster PMCs as a Supplement and not a Competitor to the USG

The PMC industry has proven to be a significant force multiplier in the short-term but it is now important to clarify the PMC industry’s long-term role in the US’s total force. First, the USG could review the contracting relationship with the PMC industry. Specifically, the USG could insert a non-compete clause within the contract awarded to the PMCs to prevent PMCs from poaching USG personnel. This is similar to what the UK’s Ministry of Defense did when they approached the PMCs in Iraq to tell them not to recruit from serving soldiers.¹¹² The USG could also encourage PMCs to hire Iraqi and Afghan locals instead so as to boost the local economy, reduce the recruitment pool for insurgents and portray the USG as genuinely wanting to help the local people.

Second, to ensure the sustainability of its warfighting capability, the USG must ensure that PMCs only supplement and not take over capabilities critical to the US’s national security. Specifically, the PMC’s expanding share of the force mix can be quite concerning especially given Singer’s studies that Brown and Root provided US forces in the Balkans with a full “100% of food, hazard material handling, and maintenance for tactical and non-tactical vehicles.”¹¹³ Fortunately, the 2010 QDR realizes its over-reliance on PMCs and will now “work to reduce the number of support service contractors, thereby helping to establish a balanced workforce that appropriately aligns functions to the public and private sector.”¹¹⁴ The recommendation is, therefore, to review the role of PMCs with an aim of fostering PMCs as a sustainable supplement and not a competitor to the USG.

Implement a Comprehensive Information Campaign

Just as the CNN effect can exacerbate the missteps of PMCs, a well-crafted information campaign can also enhance the PMC industry's positive contributions and reputation. Coupled with greater regulation of the PMC industry, an information campaign should aim to prevent the pendulum from swinging back to the point where PMCs are seen as money-grubbing, trigger-happy mercenaries. In this regard, the recommendation is to implement an information campaign highlighting the positive value of PMCs in improving the welfare of the local population, rectifying the half-myths of PMCs' non-democratic behaviors, as well as rebranding the PMC industry as a responsible and integral part of the total USG force.

(VI) CONCLUSION

Kinsey correctly highlights that there “is nothing unique about the privatization of violence.”¹¹⁵ Therefore, what this paper has focused on is the emerging trend of “mercenarizing” the USG, where the USG increasingly relies on PMCs in terms of scale, scope and for their lethal combat services. This trend has manifested in PMC personnel outnumbering US troops in Iraq, PMCs providing virtually 100% of all US base services (e.g. water, food, waste management), PMCs being awarded multi-million dollar global contracts, PMCs providing USG with a wide range of military services across the ROMO, and PMCs increasingly being placed in positions where actual firing of weapons occurs. By itself, this trend is not concerning except that the trend now appears to be enriching the PMC industry at the expense of the US's national security.

There is no doubt that PMCs can contribute positively to the USG, but the long-term and strategic impacts of the unregulated PMC industry now appear questionable. As Senator Levin and the House Committee notes, “even one irresponsible act by contractor personnel can hurt the mission and put our troops in harm's way” and that “Blackwater's missteps in Iraq are going to

hurt us badly” by “creating resentment among Iraqis.”^{116, 117} This, coupled with the fact that “Iraq was a dream contract for which to make millions” (e.g. Halliburton was awarded contracts totaling \$13.5 billion for the Iraq war), is what motivated this study.¹¹⁸ This paper has therefore developed three broad evaluation criteria to measure the PMC industry’s impact on the US’s national security, namely the ability to achieve defense strategy objectives, the ability to promote freedom, justice and human dignity, and the ability to promote and lead democracy. Based on these criteria, this paper has the following findings:

- *Tactical & Short-term Successes but Strategic & Long-term Concerns.* While PMCs are generally effective at tactical-level missions and enable a sustainable deployment cycle by boosting the USG’s total strength, their infractions, especially with civilian casualties, have undermined support at the strategic level and their poaching practices can potentially hollow-out the USG in the long-term.
- *Isolated PMC Missteps Undermine Freedom, Justice and Human Dignity.* While the majority of PMCs are well-intentioned and contribute positively, it takes just one highly-publicized PMC misstep to undermine the promotion of freedom, justice and human dignity. In reality, several highly-publicized PMC missteps, exacerbated by the perceived non-prosecution of PMCs, greatly discredit the US’s notion and promotion of justice.
- *Accountability and Transparency issues Undermine the US’s International Credibility.* While PMCs are legitimate private corporations providing goods and services in a marketplace, the lack of regulation creates accountability and transparency issues. In particular, the legal ambiguity of PMCs, the accountability of the USG and the non-competitive nature of PMC contracts undermine the US’s international reputation and credibility to promote and lead democracy.

Singer highlights that “as long as war exists, so will a demand for military expertise.”¹¹⁹ Indeed, the PMC industry appears to be here to stay as an integral non-state actor for the USG. Thus, rather than turning back the clock, this paper proposes three broad policies to retain the benefits of PMCs while mitigating their downsides. Specifically, the USG should regulate the PMC industry for greater transparency and accountability, foster the PMC industry as a supplement and not a competitor to the USG, and implement a comprehensive information

campaign. In this regard, recent moves by Congress to investigate the impact of PMCs, by the DOD to re-establish a right balance with PMCs as well as by the Obama administration to improve the quality of supervisory staff are in the right direction.¹²⁰

All in, this paper has found that the USG's increasing reliance on PMCs is getting concerning and, if left unregulated, this trend of "mercenarizing" the USG is likely to be a boon for private military companies but a bane for national security, especially in the long-term. Moving forward, it is thus imperative to comprehensively review the USG-PMC relationship, with a view for an appropriate regulatory framework that better aligns the PMC industry with the US's national security interests.

-
- ¹ Scahill, *Blackwater: The Rise of the World's Most Powerful Mercenary Army*, 41.
- ² Isenberg, *Private Military Contractors and US Grand Strategy*, 3.
- ³ Ibid., 5.
- ⁴ Kinsey, *Corporate Soldiers and International Security: The Rise of Private Military Companies*, 9.
- ⁵ Singer, *US Corporate Warriors: The Rise of the Privatized Military Industry*, 93.
- ⁶ Ibid.
- ⁷ Fontaine and Nagl, *Contractors in American Conflicts: Adapting to a New Reality*, 5.
- ⁸ Singer, *US Corporate Warriors: The Rise of the Privatized Military Industry*, 95-97
- ⁹ Kinsey, *Corporate Soldiers and International Security: The Rise of Private Military Companies*, 42.
- ¹⁰ United Nations, *International Convention against the Recruitment, Use, Financing and Training of Mercenaries*.
- ¹¹ Singer, *Private Military Contractors and US Grand Strategy*, 94.
- ¹² Isenberg, *Private Military Contractors and US Grand Strategy*, 12-13.
- ¹³ Scahill, *Blackwater: The Rise of the World's Most Powerful Mercenary Army*, 165-166
- ¹⁴ Singer, *US Corporate Warriors: The Rise of the Privatized Military Industry*, 114-115.
- ¹⁵ Fontaine and Nagl, *Contractors in American Conflicts: Adapting to a New Reality*, 8.
- ¹⁶ Dew and Hudgens, *The Evolving Private Military Sector: A Survey*, 9.
- ¹⁷ Isenberg, *Private Military Contractors and US Grand Strategy*, 7.
- ¹⁸ Singer, *US Corporate Warriors: The Rise of the Privatized Military Industry*, 15.
- ¹⁹ Perlo-Freeman and Skons, *The Private Military Services Industry*, 8.
- ²⁰ Kinsey, *Corporate Soldiers and International Security: The Rise of Private Military Companies*, 108
- ²¹ Perlo-Freeman and Skons, *The Private Military Services Industry*, 22.
- ²² Geraghty, *Soldiers of Fortune: A History of the Mercenary in Modern Warfare*, 5.
- ²³ Isenberg, *Private Military Contractors and US Grand Strategy*, 22.
- ²⁴ Ibid., 5.
- ²⁵ Singer, *US Corporate Warriors: The Rise of the Privatized Military Industry*, 49.
- ²⁶ Fontaine and Nagl, *Contractors in American Conflicts: Adapting to a New Reality*, 6.
- ²⁷ Krahmann, *Controlling Private Military Companies: The United Kingdom and Germany*, 5-6.
- ²⁸ Scahill, *Blackwater: The Rise of the World's Most Powerful Mercenary Army*, 28.
- ²⁹ Isenberg, *Private Military Contractors and US Grand Strategy*, 19.
- ³⁰ Ibid.
- ³¹ Kidwell, *Public War, Private Fight? The United States and Private Military Companies*, 30.
- ³² Perlo-Freeman and Skons, *The Private Military Services Industry*, 3.
- ³³ Kinsey, *Corporate Soldiers and International Security: The Rise of Private Military Companies*, 95-96.
- ³⁴ Perlo-Freeman and Skons, *The Private Military Services Industry*, 3.
- ³⁵ Stanger, *One Nation Under Contract: The Outsourcing of American Power and the Future of Foreign Policy*, 84.
- ³⁶ Fontaine and Nagl, *Contractors in American Conflicts: Adapting to a New Reality*, 11.
- ³⁷ Kinsey, *Corporate Soldiers and International Security: The Rise of Private Military Companies*, 96.
- ³⁸ Isenberg, *Private Military Contractors and US Grand Strategy*, 23.
- ³⁹ Perlo-Freeman and Skons, *The Private Military Services Industry*, 14.
- ⁴⁰ Ibid., 15.
- ⁴¹ Ibid.
- ⁴² Kinsey, *Corporate Soldiers and International Security: The Rise of Private Military Companies*, 23.
- ⁴³ Ibid., 134.
- ⁴⁴ Perlo-Freeman and Skons, *The Private Military Services Industry*, 14.
- ⁴⁵ Ibid., 13.
- ⁴⁶ Wulf, *Internationalizing and Privatizing War and Peace*, 169-170.

-
- ⁴⁷ House Committee on Oversight and Government Reform, *Iraqi Construction: Reliance on Private Military Contractors and Status Report*, 33.
- ⁴⁸ Office of the President of the United States, *The National Security Strategy of the United States of America*, ii.
- ⁴⁹ US Department of Defense, *Quadrennial Defense Review Report*, v.
- ⁵⁰ Ibid.
- ⁵¹ Ibid, 14.
- ⁵² Ibid., 15-16.
- ⁵³ Ibid.
- ⁵⁴ Ibid.
- ⁵⁵ Fontaine and Nagl, *Contractors in American Conflicts: Adapting to a New Reality*, 17.
- ⁵⁶ McFeely, *Balancing Kinetic Effects of Air Power with Counterinsurgency Objectives in Afghanistan*, 17.
- ⁵⁷ Isenberg, *Private Military Contractors and US Grand Strategy*, 44.
- ⁵⁸ Kinsey, *Corporate Soldiers and International Security: The Rise of Private Military Companies*, 94.
- ⁵⁹ Fontaine and Nagl, *Contractors in American Conflicts: Adapting to a New Reality*, 7.
- ⁶⁰ Ibid., 8-9.
- ⁶¹ O'Brien, *Private Military Companies: An Assessment*, 43.
- ⁶² Geraghty, *Soldiers of Fortune: A History of the Mercenary in Modern Warfare*, 245.
- ⁶³ Perlo-Freeman and Skons, *The Private Military Services Industry*, 11.
- ⁶⁴ Stanger, *One Nation Under Contract: The Outsourcing of American Power and the Future of Foreign Policy*, 104.
- ⁶⁵ Levin, *Opening Statement of Senator Carl Levin, Senate Armed Services Committee Hearing on Contracting in a Counterinsurgency: An Examination of the Blackwater-Paravant Contract and the Need for Oversight*.
- ⁶⁶ Ibid.
- ⁶⁷ House Committee on Oversight and Government Reform, *Iraqi Construction: Reliance on Private Military Contractors and Status Report*, 33.
- ⁶⁸ Geraghty, *Soldiers of Fortune: A History of the Mercenary in Modern Warfare*, 189-190.
- ⁶⁹ Ibid.
- ⁷⁰ House Committee on Oversight and Government Reform, *Iraqi Construction: Reliance on Private Military Contractors and Status Report*, 5.
- ⁷¹ Department of Defense, *The 21st Century Air Force: Irregular Warfare Strategy*, 9.
- ⁷² Department of Defense. *USCENTCOM 3rd Quarter Contractor Census Report*.
- ⁷³ Stanger, *One Nation Under Contract: The Outsourcing of American Power and the Future of Foreign Policy*, 93.
- ⁷⁴ Fontaine and Nagl, *Contractors in American Conflicts: Adapting to a New Reality*, 7.
- ⁷⁵ Kinsey, *Corporate Soldiers and International Security: The Rise of Private Military Companies*, 109.
- ⁷⁶ Fontaine and Nagl, *Contractors in American Conflicts: Adapting to a New Reality*, 5.
- ⁷⁷ Ibid., 10.
- ⁷⁸ Burge, *Effectiveness and Efficiencies in Private Military Companies*, 8.
- ⁷⁹ Singer, *US Corporate Warriors: The Rise of the Privatized Military Industry*, 102.
- ⁸⁰ Ibid., 104.
- ⁸¹ Ibid., 108.
- ⁸² Ibid., 110.
- ⁸³ Ibid., 114-115.
- ⁸⁴ Kinsey, *Corporate Soldiers and International Security: The Rise of Private Military Companies*, 107.
- ⁸⁵ Kidwell, *Public War, Private Fight? The United States and Private Military Companies*, 54-55.
- ⁸⁶ Singer, *US Corporate Warriors: The Rise of the Privatized Military Industry*, 324.
- ⁸⁷ Elsea and Serafino, *Private Security Contractors in Iraq: Background, Legal Status, and Other Issues*, 26.
- ⁸⁸ Simons, *Master of War: Blackwater USA's Erik Prince and the Business of War*, 57-61 and 152-154.
- ⁸⁹ Ibid., 157.
- ⁹⁰ Kidwell, *Public War, Private Fight? The United States and Private Military Companies*, 54-55.

-
- ⁹¹ Fontaine and Nagl, *Contractors in American Conflicts: Adapting to a New Reality*, 17.
- ⁹² Beeston and Philip, *Security Guards Investigated over Iraq Shootings*.
- ⁹³ House Committee on Government Reform and Oversight, *Blackwater USA*, 20-21.
- ⁹⁴ Levin, *Opening Statement of Senator Carl Levin, Senate Armed Services Committee Hearing on Contracting in a Counterinsurgency: An Examination of the Blackwater-Paravant Contract and the Need for Oversight*.
- ⁹⁵ Stanger, *One Nation Under Contract: The Outsourcing of American Power and the Future of Foreign Policy*, 100.
- ⁹⁶ Fontaine and Nagl, *Contractors in American Conflicts: Adapting to a New Reality*, 14.
- ⁹⁷ Singer, *US Corporate Warriors: The Rise of the Privatized Military Industry*, 159-165.
- ⁹⁸ *Ibid.*, 212.
- ⁹⁹ *Ibid.*, 208.
- ¹⁰⁰ *Ibid.*
- ¹⁰¹ Isenberg, *Private Military Contractors and US Grand Strategy*, 24.
- ¹⁰² Perlo-Freeman and Skons, *The Private Military Services Industry*, 15.
- ¹⁰³ Singer, *US Corporate Warriors: The Rise of the Privatized Military Industry*, 156.
- ¹⁰⁴ Stanger, *One Nation Under Contract: The Outsourcing of American Power and the Future of Foreign Policy*, 3.
- ¹⁰⁵ Fontaine and Nagl, *Contractors in American Conflicts: Adapting to a New Reality*, 10.
- ¹⁰⁶ *Ibid.*
- ¹⁰⁷ Geraghty, *Soldiers of Fortune: A History of the Mercenary in Modern Warfare*, 237.
- ¹⁰⁸ Isenberg, *Private Military Contractors and US Grand Strategy*, 29.
- ¹⁰⁹ *Ibid.*, 12.
- ¹¹⁰ Fontaine and Nagl, *Contractors in American Conflicts: Adapting to a New Reality*, 15.
- ¹¹¹ Levin, *Opening Statement of Senator Carl Levin, Senate Armed Services Committee Hearing on Contracting in a Counterinsurgency: An Examination of the Blackwater-Paravant Contract and the Need for Oversight*.
- ¹¹² Kinsey, *Corporate Soldiers and International Security: The Rise of Private Military Companies*, 107.
- ¹¹³ Singer, *US Corporate Warriors: The Rise of the Privatized Military Industry*, 145.
- ¹¹⁴ US Department of Defense, *Quadrennial Defense Review Report*, xiii.
- ¹¹⁵ Kinsey, *Corporate Soldiers and International Security: The Rise of Private Military Companies*, 157.
- ¹¹⁶ Levin, *Opening Statement of Senator Carl Levin, Senate Armed Services Committee Hearing on Contracting in a Counterinsurgency: An Examination of the Blackwater-Paravant Contract and the Need for Oversight*.
- ¹¹⁷ House Committee on Government Reform and Oversight, *Blackwater USA*, 3.
- ¹¹⁸ Geraghty, *Soldiers of Fortune: A History of the Mercenary in Modern Warfare*, 210, 334.
- ¹¹⁹ Singer, *US Corporate Warriors: The Rise of the Privatized Military Industry*, 230.
- ¹²⁰ Isenberg, *Private Military Contractors and US Grand Strategy*, 15-16.

Bibliography

- Beeston, Richard and Catherine Philip. "Security Guards Investigated over 'Iraq Shootings' videos." *The Times*, 1 Dec 2005.
<http://www.timesonline.co.uk/tol/news/world/iraq/article598669.ece> (accessed 1 April 2010).
- Burge, Robert. "Effectiveness and Efficiencies in Private Military Companies." *Naval Postgraduate School*, 2008.
- Dew, Dr. Nicholas and Lt. Col. Bryan Hudgens. "The Evolving Private Military Sector: A Survey." *Naval Postgraduate School*, 11 August 2008.
- Elsa, Jennifer, and Nina Serafino. "Private Security Contractors in Iraq: Background, Legal Status, and Other Issues." *Congressional Research Service Report for Congress*, July 11, 2007.
- Fontaine, Richard and Dr. John Nagl. "Contractors in American Conflicts: Adapting to a New Reality." *Center for a New American Security*, December 2009.
- Geraghty, Tony. *Soldiers of Fortune: A History of the Mercenary in Modern Warfare*. New York, NY: Pegasus Books, 2009.
- House Committee on Oversight and Government Reform. *Blackwater USA*. 110th Cong., 1st sess., 2 Oct 2007.
- House Committee on Oversight and Government Reform. *Iraqi Construction: Reliance on Private Military Contractors and Status Report*. 110th Cong., 1st sess., 7 Feb 2007.
- Isenberg, David. "Private Military Contractors and US Grand Strategy." *International Peace Research Institute*, Oslo, Report 1/2009.
- Kidwell, Deborah C. "Public War, Private Fight? The United States and Private Military Companies." *Combat Studies Institute Press (Fort Leavenworth, Kansas)*, 2005.
- Kinsey, Christopher. *Corporate Soldiers and International Security: The Rise of Private Military Companies*. New York, NY: Routledge, 2006.
- Krahmann, Elle. "Controlling Private Military Companies: The United Kingdom and Germany." *International Studies Association Annual Convention*, Feb 25 – Mar 1, 2003.
- Levin, Carl. "Opening Statement of Senator Carl Levin, Senate Armed Services Committee Hearing on Contracting in a Counterinsurgency: An Examination of the Blackwater-Paravant Contract and the Need for Oversight." *Senator Levin's News Release*, 24 February 2010. <http://levin.senate.gov/newsroom/release.cfm?id=322458> (accessed 5 March 2010).

- McFeely, Eugene. "Balancing Kinetic Effects of Air Power with Counterinsurgency Objectives in Afghanistan." *US Army War College, Carlisle Barracks*, 29 January 2009.
- O'Brien, James M. "Private Military Companies: An Assessment." *Naval Postgraduate School*, 2008.
- Office of the President of the United States. *The National Security Strategy of the United States of America*. Washington, DC: White House, March 2006.
- Perlo-Freeman, Sam and Elisabeth Skons. "The Private Military Services Industry." *SIPRI* No. 2008/1.
- Scahill, Jeremy. *Blackwater: The Rise of the World's Most Powerful Mercenary Army*. New York, NY: Nation Books, 2007.
- Singer, Peter. *Corporate Warriors: The Rise of the Privatized Military Industry*. Ithaca, NY: Cornell University Press, 2003.
- Simons, Suzanne. *Master of War: Blackwater USA's Erik Prince and the Business of War*. New York, NY: Harper Collins, 2009.
- Stanger, Allison. *One Nation Under Contract: The Outsourcing of American Power and the Future of Foreign Policy*. New Haven & London: Yale University Press, 2009.
- United Nations. "International Convention against the Recruitment, Use, Financing and Training of Mercenaries." *UN Website*, 4 December 1989.
<http://www.un.org/documents/ga/res/44/a44r034.htm> (accessed 10 December 2009).
- US Department of Defense. *The 21st Century Air Force: Irregular Warfare Strategy*. Washington, DC: Department of Defense, January 2009.
- US Department of Defense. *Quadrennial Defense Review Report*. Washington, DC: Department of Defense, February 2010.
- US Department of Defense. *USCENTCOM 3rd Quarter Contractor Census Report*. Washington, DC: Department of Defense, June 2009.
- Wulf, H. *Internationalizing and Privatizing War and Peace*. Houndmills: Palgrave Macmillan, 2005.